



# **Social Security and Other Legislation Amendment (Income Support and Other Measures) Act 2012**

**No. 52, 2012**

**An Act to amend the law relating to social security  
and Indigenous education, and for related purposes**

Note: An electronic version of this Act is available in ComLaw (<http://www.comlaw.gov.au/>)



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**No. 52, 2012**

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**An Act to amend the law relating to social security  
and Indigenous education, and for related purposes**

*[Assented to 26 May 2012]*

The Parliament of Australia enacts:

## **1 Short title**

This Act may be cited as the *Social Security and Other Legislation  
Amendment (Income Support and Other Measures) Act 2012*.

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*Social Security and Other Legislation Amendment (Income Support and Other Measures) Act  
2012 No. 52, 2012 1*

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## 2 Commencement

- (1) Each provision of this Act specified in column 1 of the table commences, or is taken to have commenced, in accordance with column 2 of the table. Any other statement in column 2 has effect according to its terms.

<b>Commencement information</b>		
<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provision(s)</b>	<b>Commencement</b>	<b>Date/Details</b>
1. Sections 1 to 3 and anything in this Act not elsewhere covered by this table	The day this Act receives the Royal Assent.	26 May 2012
2. Schedules 1 and 2	1 July 2012.	1 July 2012
3. Schedule 3	1 January 2013.	1 January 2013
4. Schedule 4	The day this Act receives the Royal Assent.	26 May 2012
5. Schedule 5	1 July 2012.	1 July 2012
6. Schedule 6	The day this Act receives the Royal Assent.	26 May 2012
7. Schedule 7	1 July 2012.	1 July 2012
8. Schedule 8	The day this Act receives the Royal Assent.	26 May 2012

Note: This table relates only to the provisions of this Act as originally enacted. It will not be amended to deal with any later amendments of this Act.

- (2) Any information in column 3 of the table is not part of this Act. Information may be inserted in this column, or information in it may be edited, in any published version of this Act.

## 3 Schedule(s)

Each Act that is specified in a Schedule to this Act is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this Act has effect according to its terms.

## **Schedule 1—Age requirements for social security payments**

### *Social Security Act 1991*

**1 Paragraphs 19C(8)(b) and (c)**

Omit “21”, substitute “22”.

**2 Subsection 23(1) (paragraph (a) of the definition of *early school leaver*)**

Omit “21”, substitute “22”.

**3 Subsection 543B(1)**

Omit “21” (wherever occurring), substitute “22”.

**4 Subparagraph 593(1)(g)(i)**

Omit “subject to subsection (2B), is at least 21”, substitute “is at least 22”.

**5 Subparagraphs 593(1B)(b)(i) and (1D)(b)(i)**

Omit “21”, substitute “22”.

**6 Paragraph 666(1)(e)**

Omit “21”, substitute “22”.

**7 Section 1067F**

Omit “21” (wherever occurring), substitute “22”.

**8 Paragraph 1067G-D1(b)**

Omit “21”, substitute “22”.

**9 Paragraphs 1067G-H26(a) and (b)**

Omit “21”, substitute “22”.

**10 Paragraphs 1067L-D25(a) and (b)**

Omit “21”, substitute “22”.

**11 Paragraphs 1068-G9(a) and (b)**

Omit “21”, substitute “22”.

**12 Paragraphs 1068B-D22(a) and (b)**

Omit “21”, substitute “22”.

**13 Section 1190 (table item 4A, column 2)**

Omit “, or to a recipient of youth allowance, who is under 21”, substitute “who is under 21 or to a recipient of youth allowance who is under 22”.

**14 Application—persons in severe financial hardship**

The amendment made by item 1 applies in relation to working out if a person is in severe financial hardship for days on or after 1 July 2012.

**15 Application—youth allowance**

(1) Subject to subitems (2) and (3), the amendments made by items 2 and 3 apply for the purposes of working out a person’s qualification for a youth allowance in respect of days occurring on or after 1 July 2012.

(2) If:

- (a) a person was aged 21 on 30 June 2012; and
- (b) the person was receiving a newstart allowance immediately before 1 July 2012 or the person’s payment of a newstart allowance was suspended immediately before 1 July 2012;

the amendments made by items 2 and 3 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
- (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.

(3) If:

- (a) before 1 July 2012, the Secretary granted a person’s claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and
- (b) the person’s start day in relation to that allowance, worked out under clause 5 of Schedule 2 to that Act, is on or after 1 July 2012;



the amendments made by items 2 and 3 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
  - (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.
- (4) Subject to subitem (5), the amendment made by item 7 applies in relation to working out the rate of youth allowance for days on or after 1 July 2012.
- (5) The amendment made by item 7 does not apply in relation to a person:
- (a) who was aged 21 on 30 June 2012; and
  - (b) who was receiving a youth allowance immediately before 1 July 2012 or whose payment of a youth allowance was suspended immediately before 1 July 2012.
- (6) The amendment made by item 8 applies in relation to working out the rate of youth allowance for days on or after 1 July 2012.

## **16 Application—newstart allowance**

- (1) Subject to this item, the amendments made by items 4 and 5 apply for the purposes of working out a person's qualification for a newstart allowance in respect of days occurring on or after 1 July 2012.
- (2) If:
- (a) a person was aged 21 on 30 June 2012; and
  - (b) the person was receiving a newstart allowance immediately before 1 July 2012 or the person's payment of a newstart allowance was suspended immediately before 1 July 2012;
- the amendments made by items 4 and 5 do not apply in relation to the person during the period:
- (c) beginning on 1 July 2012; and
  - (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.
- (3) If:
- (a) before 1 July 2012, a person aged 21 made a claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and

**Schedule 1** Age requirements for social security payments

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- (b) the claim had not been determined by the Secretary immediately before 1 July 2012;

the amendments made by items 4 and 5 do not apply in relation to:

- (c) the claim; and
- (d) if the claim is granted—the payment of that allowance as a result of that claim.

(4) If:

- (a) before 1 July 2012, a person aged 21 made a claim for a newstart allowance under the *Social Security (Administration) Act 1999* (disregarding subclause 4(6) of Schedule 2 to that Act); and
- (b) on 1 July 2012, the person is serving a liquid assets test waiting period in relation to the claim;

the amendments made by items 4 and 5 do not apply in relation to:

- (c) the claim; and
- (d) if the claim is granted—the payment of that allowance as a result of that claim.

(5) If:

- (a) before 1 July 2012, the Secretary granted a person's claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and
- (b) on 1 July 2012, an income maintenance period applies to the person;

the amendments made by items 4 and 5 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
- (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.

(6) If:

- (a) before 1 July 2012, the Secretary granted a person's claim for a newstart allowance under the *Social Security (Administration) Act 1999*; and
- (b) the person's start day in relation to that allowance, worked out under clause 5 of Schedule 2 to that Act, is on or after 1 July 2012;

the amendments made by items 4 and 5 do not apply in relation to the person during the period:

- (c) beginning on 1 July 2012; and
- (d) ending on the day on which the payment of the newstart allowance to the person is cancelled.

### **17 Application—sickness allowance**

- (1) Subject to subitem (2), the amendment made by item 6 applies for the purposes of working out a person's qualification for sickness allowance in respect of days occurring on or after 1 July 2012.
- (2) The amendment made by item 6 does not apply in relation to a person:
  - (a) who was aged 21 on 30 June 2012; and
  - (b) who was receiving sickness allowance immediately before 1 July 2012 or whose payment of sickness allowance was suspended immediately before 1 July 2012.

### **18 Application—general rates**

The amendments made by items 9 to 12 apply in relation to working out the rates of social security payments for days on or after 1 July 2012.

## Schedule 2—Income test for youth allowance

### *Social Security Act 1991*

#### **1 Paragraph 1067G-H29(b)**

Omit “\$62”, substitute “\$143”.

#### **2 Paragraphs 1067G-H32(c) and 1067G-H33(c)**

Omit “\$188”, substitute “\$107”.

#### **3 Application**

The amendments made by items 1 and 2 apply in relation to working out the rate of youth allowance for days on or after 1 July 2012.

## **Schedule 3—Income test for newstart allowance**

### *Social Security Act 1991*

#### **1 Point 1068-G1 (method statement, step 10)**

Omit “and 1068-G16”, substitute “, 1068-G16 and 1068-G17”.

#### **2 Point 1068-G14 (heading)**

Repeal the heading, substitute:

*Ordinary income reduction—general*

#### **3 Point 1068-G14**

Omit “If”, substitute “Subject to point 1068-G17, if”.

#### **4 Section 1068 (at the end of Module G of the Benefit Rate Calculator B)**

Add:

*Ordinary income reduction for certain recipients of newstart allowance*

1068-G17 If:

- (a) a person has an ordinary income excess; and
- (b) the person is receiving newstart allowance; and
- (c) the person is not a member of a couple; and
- (d) the person is the principal carer of a child;

the person’s ordinary income reduction is an amount equal to 40% of the person’s ordinary income excess.

#### **5 Application**

The amendments made by this Schedule apply in relation to working out the rate of newstart allowance for days on or after 1 January 2013.

## Schedule 4—Claims for newstart allowance

### *Social Security (Administration) Act 1999*

#### **1 Paragraph 4(2)(a) of Schedule 2**

Omit “newstart allowance or”.

#### **2 Subclause 4(5) of Schedule 2**

Repeal the subclause.

#### **3 Application**

The amendments made by items 1 and 2 apply in relation to claims referred to in paragraph 4(1)(a) of Schedule 2 to the *Social Security (Administration) Act 1999* that are made on or after the commencement of those items.

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## Schedule 5—Working credit balances

### *Social Security Act 1991*

#### **1 Subsections 1073E(2), (4), (5) and (5A)**

Omit “\$1,000”, substitute “the threshold amount (see subsection (7))”.

#### **2 Paragraph 1073E(6)(b)**

After “participant”, insert “on a day (the *participation day*)”.

#### **3 Subsection 1073E(6)**

Omit “\$1,000”, substitute “the threshold amount (see subsection (7))”.

#### **4 Subsection 1073E(6)**

Omit “day on which the person becomes a working credit participant”, substitute “participation day”.

#### **5 At the end of section 1073E**

Add:

*Threshold amount*

(7) In this section:

*threshold amount* means:

- (a) if, on the participation day, the person is receiving youth allowance, the person is not undertaking full-time study and the person is not a new apprentice—\$3,500; or
- (b) in any other case—\$1,000.

#### **6 Section 1073F (method statement, step 4)**

Repeal the step, substitute:

Step 4. If the participant’s rate of total ordinary income on a fortnightly basis for the day is less than \$48, there is an accrual to the participant’s working credit balance for the day of an amount equal to one fourteenth of the amount
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by which \$48 exceeds that rate. The maximum working credit balance is:

- (a) if the participant became a working credit participant on a day under subsection 1073E(2), (3), (4), (5), (5A) or (6) and on that day the participant was receiving youth allowance, the participant was not undertaking full-time study and the participant was not a new apprentice—\$3,500; or
- (b) in any other case—\$1,000.

## 7 Application

The amendments made by this Schedule apply in relation to persons who become working credit participants, as mentioned in section 1073E of the *Social Security Act 1991*, on days on or after 1 July 2012.



## **Schedule 6—Parenting payment transitional arrangement**

### *Social Security Act 1991*

#### **1 At the end of section 500F**

Add:

*Circumstances in which person ceases to be covered by parenting payment transitional arrangement*

- (5) If a person is covered by the parenting payment transitional arrangement in relation to a child immediately before 1 January 2013, the person ceases to be covered by that arrangement:
  - (a) if the child is aged under 12 on 31 December 2012—when the child turns 12; or
  - (b) if the child is aged 12 on 31 December 2012—when the child turns 13; or
  - (c) if the child is aged 13 or more and under 16 on 31 December 2012—when the child turns 16.
- (6) Subsection (5) does not limit the circumstances in which a person may cease to be covered by the parenting payment transitional arrangement in relation to a child.

## Schedule 7—Penalty for reconnection failures

### *Social Security (Administration) Act 1999*

#### 1 Subsection 42T(3)

Repeal the subsection, substitute:

- (3) The method determined for a reconnection failure that a person commits must not provide for a penalty amount in respect of a day in the reconnection failure period that is more than the following:

$$1.4 \times \frac{\text{Amount of the person's instalment of participation payment for the instalment period in which the day occurs}}{\text{Number of days in the person's instalment period}}$$

#### 2 Application

The amendment made by item 1 applies in relation to a determination made under subsection 42H(1) of the *Social Security (Administration) Act 1999* on or after the commencement of that item, where the failure referred to in paragraph 42H(1)(b) of that Act occurred on or after that commencement.

## **Schedule 8—Other amendments**

### ***Indigenous Education (Targeted Assistance) Act 2000***

#### **1 Subsection 14B(1) (table item 4)**

Omit “\$120,020,000”, substitute “\$120,701,000”.

### ***Social Security Act 1991***

#### **2 Point 1068-B1B**

Omit “For the purposes of point 1068-B1A, the”, substitute “The”.

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*[Minister’s second reading speech made in—  
House of Representatives on 9 February 2012  
Senate on 29 February 2012]*

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(3/12)

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2012 No. 52, 2012 15*